

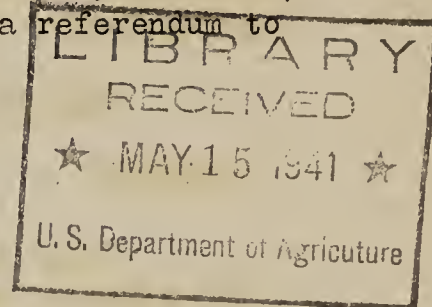
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WHEAT AND CORN PROBLEMS

(An electrically transcribed interview with Harry N. Schooler, Director, North Central Division, AAA, on the wheat marketing quota referendum to be held May 31, 1941.)



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ANNOUNCER:

Wheat growers --- the Nation looks to you for a decision. On May 31 there will be a Nation-wide referendum on wheat marketing quotas. Authorities say the question to be decided is how we're going to handle the wheat surplus, and what you'll be able to get for your wheat. The decision will affect not only wheat farmers but corn farmers, livestock producers, dairymen -- in fact, it will affect just about all farmers. To see what's involved in the quota vote, we're going to talk now with an official of the United States Department of Agriculture. This man is Harry N. Schooler, the Director of the Triple-A North Central Division. In private life, he's a South Dakota farmer.

Mr. Schooler, right now, as we all know, many people in this part of the country are beginning to produce more of several kinds of food. Pork is one kind. Milk is another, I believe ...

SCHOOLER:

Yes, milk, eggs, and poultry, in addition to pork. What they're actually doing is converting feed supplies out of the Ever-Normal Granary into food. It's a part of our defense effort.

ANNOUNCER:

Well, here's a point I wanted to ask about: Many of the same people who are expanding certain kinds of food production have to consider, at this same time, the question of marketing quotas on wheat.

SCHOOLER:

And you wonder if these parts of the program don't contradict each other ... is that it?

ANNOUNCER:

Exactly, though I might put the question this way: If we need more food, why do we need wheat quotas? Or if we need wheat quotas, do we really need to produce more food?

SCHOOLER:

Well, let's dig into the facts a little bit, and you'll see the answer plain enough. Up 'til a few weeks ago, most of us who had been watching wheat and corn supplies thought there would have to be marketing quota referendums this year on both wheat and corn. But recent events have changed the corn situation.

ANNOUNCER:

What are these events you have in mind?

SCHOOLER:

Well, for one thing, the war in Europe has progressed. The battle of the Atlantic has begun, and our part in supplying food to the democracies has become more clear. Congress passed the lend-lease act and provided definitely that aid to our friends abroad would include large amounts of food. Taking stock of the new situation, it became plain that the time had come to convert our abundant corn supply into concentrated livestock products as rapidly as possible.

ANNOUNCER:

And with this in mind, the Secretary of Agriculture announced there would be no corn marketing quota this year. Right?

SCHOOLER:

That's right. But don't get the wrong idea from that. The fact that there will be no corn marketing quota simply means there will be no quotas on the marketing of corn. It does not affect the acreage allotment. The corn acreage allotment stays the same as it was before.

ANNOUNCER:

That's how the food program applies to corn ... how does it apply to wheat?

SCHOOLER:

It does not apply to wheat. That's just the point. The only way the food program could apply to wheat right now would be to make wheat so cheap that it could be used economically as feed and be converted into livestock products. We don't need the wheat for feed. Most farmers will be much better off if the price of wheat stays up than they would be if wheat went down. The time to use up our wheat supplies just hasn't come yet.

ANNOUNCER:

Well, surely our friends abroad could use a little more bread.

SCHOOLER:

They might be able to use it if they could get it. But remember there's a battle of the Atlantic. Cargo space is very limited right now. Our friends abroad are taking meat, dairy products, eggs, dried fruits. They're taking this food in the most concentrated form possible.

ANNOUNCER:

If they could take wheat and flour, we could supply them with quite a lot, I suppose.

SCHOOLER:

Certainly. We have nearly twice as much wheat as we need. But remember this: Canada has enough wheat to give Britain a 2-year supply. That's another reason why we're not likely to send much wheat abroad.

ANNOUNCER:

Mr. Schooler, suppose something we can't foresee should happen to lift the blockade on world trade. That would relieve our wheat surplus.

SCHOOLER:

Let's not grab at straws. Even if the blockade should be lifted, the world is full of wheat. In Canada, the granaries are so full that the Government is asking a 35-percent cut in acreage this spring. In Argentina, there's so much surplus wheat that the Government has practically had to take over the wheat industry. Australia had a poor crop last year, but still she has a surplus and is using a license system to prohibit any increase in acreage. Taking the whole world into account, there are 3 bushels of wheat for every bushel the importers will buy.

ANNOUNCER:

World prices are very low, aren't they?

SCHOOLER:

For 3 years, they've been the lowest in history. Right now you can hardly say there is a world price. But you can be sure that if our price depended entirely on world conditions, it would not be higher than 30 to 35 cents.

ANNOUNCER:

What's holding our price up -- the wheat loan?

SCHOOLER:

The wheat loan is right. Many wheat growers don't realize how much protection they've had from the wheat loan. But now is the time to think about it, because the vote on marketing quotas is also a vote on wheat loans.

ANNOUNCER:

You mean there won't be any wheat loan if we don't have quotas ...

SCHOOLER:

That's right. Government loans on wheat are prohibited by law if the quota fails to pass. The reason is plain enough: Before making loans on a surplus crop, the Government has to know whether or not the farmers are willing to protect the value of the collateral. We have a record carry-over of old wheat and another big crop coming on. We'll probably have a total supply of just about 1 and a quarter billion bushels. Last time we had that big a supply and no loan program, wheat farmers went broke selling wheat for around 30 cents.

ANNOUNCER:

30 cents ... that was certainly low enough to make wheat a livestock feed, wasn't it?

SCHOOLER:

Sure it was. I remember in 1932 I had a lot of wheat that I could get only 25 cents a bushel for at the elevator and I had to truck it 25 miles to the elevator. I thought I could get more by feeding it to hogs, so I bought up a lot of feeder pigs and started feeding them wheat. The first hogs marketed sold at a fair price but before they were all finished the price had dropped so that the buyers refused to buy at any price. I finally offered to give the hogs away to anybody who would come and get them.

ANNOUNCER:

In other words, you lost on the deal.

SCHOOLER:

I practically lost my shirt.

ANNOUNCER:

This year, however, and until the end of June 1943, if I'm not mistaken, the Government is supporting the price of hogs.

SCHOOLER:

You're correct. But let me point out this: The food plan and the Government support for the price of hogs are based on the fact our supplies of corn and other feed grains are plentiful. We just don't need to convert our wheat supplies into pork and other livestock products.

ANNOUNCER:

Well, we don't need it for feed, but I suppose we might sometime need the wheat for bread.

SCHOOLER:

Well, you can't tell. But we do know that wheat can be turned into biscuits a lot quicker than corn can be turned into ham. Wheat is a food reserve just as it stands.

ANNOUNCER:

Mr. Schooler, before we end this discussion, I wonder if you'll say a word about the way the quotas operate. After all, the wheat grower voting on quotas is primarily interested in how they affect him.

SCHOOLER:

As he should be. I've already said that quotas are necessary to continue the wheat loan. That's important to everybody because the loan maintains the price for those who don't take out loans as well as for those who do. The next point is this: Under quotas, all farmers can sell all they raise on their wheat acreage allotments. All their old wheat too. Farmers who have overplanted their wheat allotments can sell their excess production by paying a cash penalty. Or they can store the excess under a Government loan. The excess is all that the noncooperator can get a loan on, but the cooperator can get a loan on his entire crop if he wants to. The cooperator's loan rate is 40 percent higher than that of the noncooperator.

ANNOUNCER:

The marketing quotas seem to deal primarily with the wheat grown on acreage exceeding the acreage allotment.

SCHOOLER:

That's right. The quota protects the large majority of farmers who comply with the acreage allotment. They're working cooperatively to keep supplies on a sound basis, and the quota assures them that their efforts won't be canceled out by a small minority flooding the market with surplus wheat. Right now, surplus wheat is a terrible threat to wheat prices. To put it bluntly, the vote on marketing quotas is a vote on price support.

ANNOUNCER:

In this North Central Region, Mr. Schooler, where you have responsibility for the Triple-A program operation, how many farmers are directly concerned by the price of wheat?

SCHOOLER:

Oh, the number runs into the hundreds of thousands. Of course some of them don't raise much wheat and wouldn't be hurt very much immediately by a price collapse. But many would be ruined. Around 40 percent of all those who can vote in the quota referendum live here in the North Central part of

the country. So we have a big responsibility to the whole Nation. We can't afford to treat the wheat problem lightly because we have so much to say about its outcome.

ANNOUNCER:

You're saying the referendum is pretty serious business.

SCHOOLER:

It certainly is. And it's the responsibility of every farmer who is eligible to vote in the referendum to actually get out and vote. I hope every person who plans to vote will study the facts from the standpoint of his own interest, the other fellow's interest, and the Nation's interest.

ANNOUNCER:

Ladies and gentlemen, in this discussion of farm problems involved in the coming wheat marketing quota referendum, you have heard Mr. Harry N. Schooler, Director of the North Central Division of the Agricultural Adjustment Administration.

Let me remind you that the day of the wheat marketing quota referendum is Saturday, May 31.

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THREE 1-MINUTE STATEMENTS BY HARRY N. SCHOOLER
ON WHEAT QUOTAS

I

ANNOUNCER:

Referendum on Wheat Marketing Quotas May 31!. This is a real news headline to farmers, for the voting will affect their pocketbooks. To explain the meaning of the vote, here's the Director of the Triple-A North Central Division, Mr. Harry N. Schooler.

SCHOOLER:

If quotas are approved, the price of our 1941 wheat crop will be protected by Government loans. If quotas are voted down, the Government will have no assurance that the wheat used as collateral will hold its value, and loans cannot be offered.

The world is full of wheat; the war has cut off our markets; and, without loans, we would be threatened by price collapse. Never before have we had greater need for price support. If you are eligible to vote in the coming referendum, be sure to study the wheat situation, and be sure to vote. The day to vote is Saturday, May 31.

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II

ANNOUNCER:

Wheat growers will vote in a marketing quota referendum on May 31. Before they vote, they want to know whether the new food plan, for aiding the democracies, will relieve the wheat surplus. Speaking to that point, I present the Director of the Triple-A North Central Division, Mr. Harry N. Schooler.

SCHOOLER:

The new food plan has not changed the wheat problem. The democracies do need food from us, but they want meat, eggs, butter, fruits, and vegetables. And they want these foods in the most concentrated form so they can be packed into a small amount of shipping space. Unfortunately, for the American wheat farmer, the democracies abroad are taking very little of our wheat. One reason is that the Dominion of Canada could furnish Britain with a 2-year supply right now.

Wheat farmers need to consider these facts when they vote in the marketing quota referendum on Saturday, May 31.

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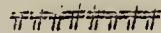
III

ANNOUNCER:

Wheat growers will vote in a marketing quota referendum on May 31. This is one of the most significant farm program referendums ever held. And here's the reason, as stated by the Director of the North Central Division of the Triple-A, Mr. Harry N. Schooler.

SCHOOLER:

The wheat referendum is especially important because of the present world crisis. The world we live in is no longer the peaceful world of trade and commerce we have known. Events beyond our control are now forcing and will later force adjustments in American agriculture. Now and later we need every bit of the farm program machinery we have. Wheat quotas and wheat loans are parts of a big program. They are cogs in a big wheel. Strip off these cogs, and the wheel will no longer work properly. In the referendum, farmers will vote not only on the use of wheat quotas but also on the usefulness of the entire program. It's a great privilege and a great duty for all eligible wheat growers to vote in the referendum on Saturday, May 31.



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